

# United States Senate

WASHINGTON, DC 20510

May 27, 2022

Pantelis Apessos  
Chief Investment Officer  
Citigroup Pension Plan  
750 Washington Boulevard 8<sup>th</sup> Floor  
Stamford, CT 06901

Dear Mr. Apessos,

We are writing to respectfully request information on the diversity of your corporate pension and treasury fund management.

Women and people of color are dramatically underrepresented in the field of asset management. Less than 1% of the \$70 trillion in global financial assets under management are managed by woman or minority-owned firms.<sup>1</sup> Women and people of color are also extremely underrepresented at the board and senior management levels at asset management firms. Across the industry, the senior leadership level is overwhelmingly white and male; 83.7% of executives are white and 74.6% are male.<sup>2</sup> The investment consultant community exhibits similar characteristics.<sup>3</sup>

This is a serious problem for the industry, investors, and the country as there is a wealth of data showing that greater diversity leads to greater profitability. A study by the National Association of Investment Companies showed that diverse-owned private equity firms exceeded industry averages in virtually every performance indicator.<sup>4</sup> Additionally, a July 2021 report from BoardReady showed that companies with at least 30% of their board seats filled by non-white Executives experienced year over year revenue growth of 1.2% in 2020 despite the pandemic. Meanwhile, companies with less than 20% of their board seats filled by diverse executives experienced 8.3% revenue losses.<sup>5</sup>

Despite the fact that millions of Americans rely on returns from corporate pensions for retirement and wealth building, there is very little transparency about who is managing these funds. In order to foster that transparency, we urge you to provide detailed information on your corporate practices in seeking, selecting and retaining diverse-owned asset management firms to manage your pension and treasury funds. Specifically, we request answers to the following questions to allow an accurate assessment of your corporation's efforts:

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<sup>1</sup> <https://www.sec.gov/files/amac-background-gao-investment-management.pdf>

<sup>2</sup> [https://www.ici.org/system/files/attachments/pdf/21\\_news\\_di\\_chart\\_01.pdf](https://www.ici.org/system/files/attachments/pdf/21_news_di_chart_01.pdf)

<sup>3</sup> <https://www.sec.gov/files/amac-background-diverse-asset-managers-initiative-2019.pdf>

<sup>4</sup> <https://naicpe.com/wp-content/uploads/2021/10/NAIC2021-ExaminingTheResults.pdf>

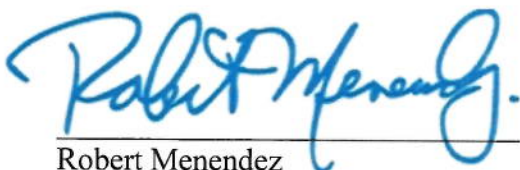
<sup>5</sup> [https://static1.squarespace.com/static/5ab00948710699beb7a40e29/t/60edf87b6d720f75fb6366ba/1626208384888/BoardReady\\_Report\\_Final.pdf](https://static1.squarespace.com/static/5ab00948710699beb7a40e29/t/60edf87b6d720f75fb6366ba/1626208384888/BoardReady_Report_Final.pdf)

1. Does your corporation's pension fund have a publicly available equal opportunity statement pertaining to the selection of external asset managers?
  - a. If no, why not?
  - b. If yes, please provide that statement.
2. What commitments has your corporate pension fund made to increase opportunities for women and minority-owned asset management firms?
  - a. Please provide details on progress made to date.
3. Has your corporate pension fund conducted reviews to examine whether existing policies and practices impact the participation of smaller and/or newer firms?
  - a. If no, why not?
  - b. If yes, please specify when and articulate the findings.
4. Has your corporate pension fund conducted targeted outreach to women and minority-owned asset management firms about investment opportunities and the selection process?
  - a. If yes, please provide details on outreach and results.
5. Does your corporate pension fund have established priorities and expectations for investment staff and/or consultants to seek diverse asset managers?
6. Please describe your selection process for external asset managers.
  - a. Does it contain a diversity component? If not, why? If yes, has it been successful?
7. Please provide data on your utilization of women-and minority-owned firms. How much of your corporate pension assets are managed by:
  - a. Women-owned firms?
  - b. Firms in which women own 25% or more of the firm?
  - c. Minority-owned firms?
  - d. Firms in which minorities own 25% or more of the firm?
  - e. Minority women-owned firms?
  - f. Firms in which minority women own 25% or more of the firm?
  - g. For each of the categories in a-f, what percent of total assets under management does this represent?
8. Does your firm utilize external managers for investment of non-pension fund assets/capital? If yes, please provide the same data for such assets/capital as requested above.

For the purposes of this inquiry, please limit your answers on ownership to asset management firms incorporated in the United States.

Thank you for your prompt attention to this matter. We respectfully request your responses by Monday, July 11. Please contact Alfie Feder ([Alfie\\_feder@menendez.senate.gov](mailto:Alfie_feder@menendez.senate.gov)) if you have questions.

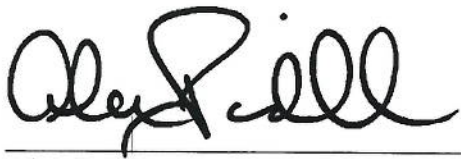
Sincerely,



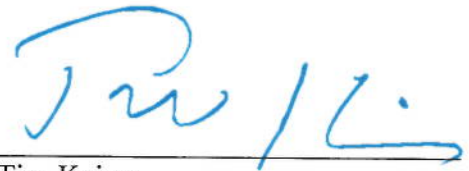
Robert Menendez  
United States Senator



Elizabeth Warren  
United States Senator



Alex Padilla  
United States Senator



Tim Kaine  
United States Senator



John Hickenlooper  
United States Senator